Weekly Economic Review

Labour market continues to rebound

Labour Market

Alberta labour market balancing

Alberta's labour market recovery is fully underway. The 2,100 jobs added in May brought employment to the highest level since October 2015. With the participation rate falling back to 72.5% after hitting a high of 73.1% in March, the unemployment rate fell a notch to 7.8%. The ongoing recovery has shifted towards more full-time employment in the private sector. There was a large increase in full-time positions (+18,900), while part-time employment continued to decline (-16,700). So far this year, full-time employment has increased by 37,500, while part-time has decreased by 13,600. In addition, the private sector has added 17,500 jobs year-to-date (Chart 1). Public sector employment pulled back to the December 2016 level. Goods sector jobs increased for a fourth month in a row as gains in the primary resources sector offset continued weakness in the construction industry.

Housing Starts

Increases in Edmonton drive May starts

After easing in April, Alberta housing starts improved in May, led by a strong increase in Edmonton. The number of seasonally adjusted housing starts rose 4.0% month-over-month (m/m) to an annualized rate of 32,707 units. Both singles (+4.9% m/m) and apartment (+9.9% m/m) rose in the province, whereas row and semi-detched units saw a mild pullback. Housing starts in Edmonton jumped 43% m/m to reach an 18 month high. Meanwhile, activity in Calgary (-9.2% m/m) and other urban centers (-39% m/m) slowed. Compared to the previous year, Alberta starts were up 48%, as both Calgary and Edmonton were significantly higher than a year ago.

New Housing Price Index

New home prices resilent

New home prices remain stable in Alberta. After remaining flat in the past three months, the new housing price index (NHPI) ticked down 0.1% m/m in April. Compared to a year ago, new home prices were slightly lower (-0.5% year-over-year or y/y). Calgary NHPI edged down 0.3% y/y as a lower house-only component continued to offset gains in land prices. In Edmonton, new home prices remained weak (-0.6% y/y) due to continued declines in both components.

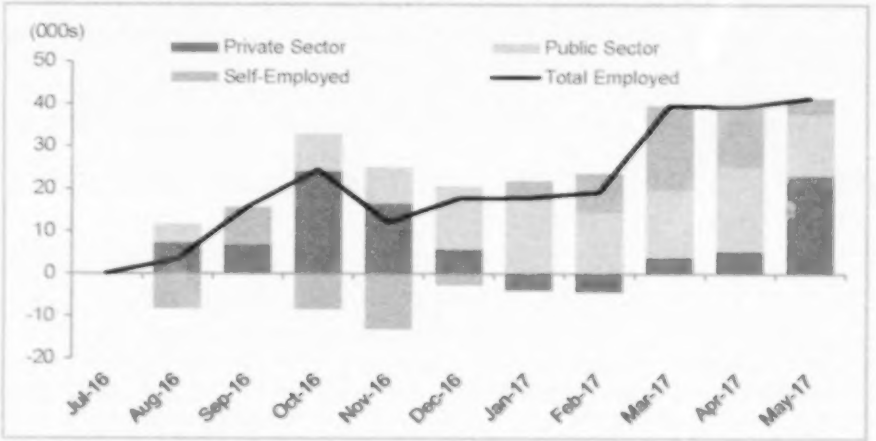
Merchandise Trade

Alberta exports ease in April

Alberta exports pulled back some of the gains in April following a surge in March. Exports decreased by 12% m/m to $8.4 billion due to a broad-based decline. Total exports were weighed down by a decline in crude volumes due to Syncrude's upgrader outage and seasonal maintenance for producers. Meanwhile, non-energy exports declined 7.1% m/m led by farm, fishing and food products (-13% m/m), consumer goods (-8.9% m/m), and industrial machinery (-17% m/m). Despite the monthly weakness, Alberta exports were up 56% y/y, as both energy (83% y/y) and non-energy exports (18% y/y) have rebounded significantly.

Chart 1: Private sector picking up

Change in seasonally adjusted employment since July 2016 low



Source: Statistics Canada

Contact

Daniel Letcher 780.427.8845

Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.

Alberta Government

June 9, 2017

Treasury Board and Finance

Economics and Revenue Forecasting